

TIMBER SALE PROSPECTUS

Sale Name: Mossy Cliff Type of Sale: Weight Scale
National Forest: Idaho Panhandle Ranger District: St. Joe (Avery)
Bidding Method: Sealed Bid Guarantee: \$ 28,700.00
Location of Bid Opening: Office: Forest Supervisor's Office
Address: 3815 Schreiber Way
Coeur d'Alene, Idaho 83815
Date: November 18, 2003 Time: 9:30 a.m.

1. INTRODUCTION. This prospectus furnishes prospective bidders with information not contained in the published advertisement and is designed to enable bidders to decide whether or not to further investigate the sale. The prospectus is not a legally binding document, but is offered to provide general information about a sale. The contract does not include descriptions, estimates, and other data in this prospectus, unless otherwise stated. In the event that the prospectus contains an error or contradicts the sample contract, the contract governs. Bidders are urged to examine the timber sale and make their own estimates. Timber sale Contract **Forms FS-2400-6** will be used. Inspect the sale area and the sample contract before submitting a bid. Obtain the appraisal, other information on the timber, and conditions of sale and bidding at Forest Service offices listed above and in the named attached advertisement.

2. BIDDING. This is a **SEALED BID** sale. Bidders must submit sealed bids on prepared forms they can obtain from Forest Service offices listed above and in the attached advertisement. The forms include instructions for bidding and submission of the required certifications. A bid guarantee must be included with the bid in the form of cash, a bid bond on Form FS-6500-13 (4/82) or later, certification of annual bid bond allocation on Form FS-6500-13a (4/82) or later, an irrevocable letter of credit, a certified check, bank draft, cashiers check, official bank check, or bank or postal money order payable to the Forest Service, USDA in the amount specified above and in the bid form. The bid guarantee shall be returned to each bidder whose bid is not accepted.

Total Sale Value Bidding:

Prospective purchasers must submit bids in terms of the minimum acceptable total sale value. The bid form states minimum acceptable bid rates and estimated quantities of timber, together with the minimum acceptable total sale value. The advertised minimum acceptable total sale value is only for the biddable species, as listed on the bid form in the upper section of block 14. It does not include any non-biddable, fixed rate species listed in the lower section of block 14 titled "Required Removal at Fixed Rate. Only the Fixed Rate Applies." The bidder should enter the offer on the bid form only in terms of the total sale value. The Forest Service shall establish bid rates by species in the contract by multiplying each species' minimum acceptable bid rate by the bid increase percentage. Such rates will be rounded to the nearest cent. The bid increase percentage is the bidder's total sale value bid rate divided by the minimum

acceptable total sale value. The total amount for stumpage is the volume of each biddable species multiplied by its bid rate, plus the volume of each fixed rate species multiplied by its fixed rate.

3. LOCATION AND DESCRIPTION OF TIMBER. Refer to the sample contract and sale area map attached to the sample contract for legal location of sale area, location of payment units location of cutting units, the acreage of sale area, and the cutting unit acreage.

THE FOLLOWING GENERAL LOCATION, ROUTES OF ACCESS, ACREAGES, AND OTHER SPECIAL LOCATION DATA DO NOT SUPERSEDE THE SALE AREA MAP OR SAMPLE CONTRACT.

The Sale Area of 4204 acres more or less is located in T47N, R6E, Sections 34, 35 and 36; T47N, R7E, Section 31; T46N, R6E, Sections 1, 2, 3, 10, 11, 12 and 17; T46N, R7E, Sections 6, 7 and 18; Boise Meridian, Shoshone County, Idaho. The sale lies in the Loop Creek and sub drainages of the North Fork of the St. Joe drainage. Harvest will occur on approximately 363 acres. The haul route for the sale is appraised to Superior, MT using the following roads: Road 506, 3461, 3483, 391, 3472B, 3471B.1, 3471B.2, 3472A, 1187, 3472L, 3472 and Interstate 90 for a sale average of 50.73 miles.

The following table summarizes sale acreage, and estimated timber volumes by species, and logging system by unit: Net volumes are in CCF.

Unit	Acres	LP Sawlogs	Roundwood	Topwood	Totals	Logging Method	% of Total Acres
15	13	187	19	30	236	Skyline	4%
16	4	56	5	8	69	Skyline	1%
17a	5	78	5	8	91	Groundbased	1%
17b	43	636	56	91	783	Skyline	12%
17c	6	82	10	16	108	Skyline	2%
18a	5	70	5	8	83	Groundbased	1%
18b	34	495	42	68	605	Skyline	9%
19	33	480	42	68	590	Skyline	9%
20	36	527	46	76	649	Skyline	10%
21	27	388	32	53	473	Groundbased	7%
22	26	345	32	53	430	Groundbased	7%
23a	23	305	28	46	379	Groundbased	6%
23b	18	240	23	38	301	Skyline	5%
24a	18	244	23	38	305	Groundbased	5%
24b	21	282	28	46	356	Skyline	6%
25a	23	308	32	53	393	Groundbased	7%
25b	28	371	36	59	466	Skyline	8%
CCF		5094	464	759	6317		
MBF		2470	317	380	3167		
Tons		15739	1435	2345	19519		100%

4. **TIMBER QUANTITIES AND RATES.** The quality, size, cut per acre, and product suitability of the timber are estimates based on detailed cruise information on file and available for inspection at the Forest Service offices listed above and in the advertisement. VOLUME QUANTITIES LISTED HEREIN ARE MADE AVAILABLE WITH THE UNDERSTANDING THAT VALUES SHOWN ARE FOREST SERVICE ESTIMATES AND ARE NOT GUARANTEED. For these reasons, bidders are urged to examine the timber sale area and make their own estimates.

Road Construction Costs. The advertised rate does not include the estimated cost of specified road construction. The estimated road construction cost has been included in the appraisal as a cost that the purchaser will incur. The purchaser will be responsible for the road construction cost and WILL NOT receive credit towards stumpage costs for this expense, i.e., THIS SALE DOES NOT INCLUDE PURCHASER CREDIT and bidders should consider the cost of road construction when developing their bids.

THE MINIMUM ACCEPTABLE BID RATE IS STATED IN THE ATTACHED BID FORM. THESE RATES ARE EFFECTIVE AT THE TIME OF ADVERTISEMENT.

Estimated Quantities and Rates per Unit of Measure

Species	Product	Unit of Measure	Estimated Quantities	Average DBH	Advertised Rates	Base Rates	Required Deposits	
							Slash Disposal	Road Maintenance
Combined	All	Tons	19519	9	\$14.67	\$14.67	\$2.05	\$0.42
	TOTAL		19519					

The minimum acceptable total sale value bid for advertised timber is \$286,343.73.

The bid rate for species and unit of measure are assigned under procedures for average bid premium bidding, as noted in this prospectus. This rate has been established by appraisal, with a cost allowance for the roads specified by the contract, if any. Required deposits for slash disposal and road maintenance are in addition to the advertised rates for timber. Purchasers are responsible for the cost of specified road construction. Specified road construction costs ARE NOT available to use as credit for the payment of stumpage, i.e., THIS SALE DOES NOT INCLUDE PURCHASER CREDIT.

Estimated Knutson-Vandenberg deposit for sale area improvement work in a total amount of \$284,877.89 is included in total timber value.

5. **PERIOD OF CONTRACT.** The normal operating season covers the period between July 1 and October 31.

The contract termination date is December 31, 2008. Extensions of this contract may be granted only when the purchaser has met specified conditions.

The purchaser must submit a general operating plan to the Contracting Officer for approval before operations begin or within 60 days of sale award, whichever is earlier. The plan must show how the purchaser plans to complete the contract by the termination date. In addition to the general operating schedule, the purchaser must submit an annual schedule of operations before commencing operations. This schedule will include the anticipated major activities and needs for harvest. This annual schedule of operations does not require concurrence of the Forest Service.

6. **PAYMENT.** Payment for timber and any required deposits for slash disposal or road maintenance are required in advance of cutting. The Purchaser may transfer purchaser credit into the contract, or provide an acceptable payment guarantee prior to cutting. Payment for required deposits must be a cash payment. At advertised rates, the transfer-in purchaser credit limit is \$ -0-. The purchaser shall make advance deposits in accordance with provision B(T)4.222 - Advance Deposits.

The high bidder whose bid is accepted shall, at the time the contract is signed and returned by the bidder, make a downpayment pursuant to Title 36, Section 223.49, of the Code of Federal Regulations. The Contracting Officer will notify the high bidder of the amount necessary to make this payment. In no case shall the downpayment be less than 10 percent of the total advertised value and 20 percent of the bid premium. The bidder may use transferred-in purchaser credit to meet this requirement. After receipt of the downpayment and a satisfactory performance bond and upon execution of the timber sale contract, the Forest Service will return the bid guarantee. A cash bid guarantee may be applied to the downpayment at the request of the purchaser. The purchaser cannot apply the amount deposited as a downpayment to cover other obligations due on the sale until stumpage value representing 25 percent of the total bid value of the sale has been charged and paid for on the statement of account.

By November 30, 2006, the purchaser shall have paid for, or in lieu thereof, deposited cash in the amount of: (1) 50 percent of the total estimated bid premium, or (2) 35 percent of the total estimated sale value at bid date, exclusive of required deposits, rounded up to the next \$100. Purchaser credit transferred in may be used to meet this requirement. Transferred-in purchaser credit cannot be subsequently transferred to another sale unless the credit is replaced by cash.

By November 30, 2007, the purchaser shall have paid for, or in lieu thereof, deposited cash in the amount of 75 percent of the total estimated sale value at bid date, exclusive of required deposits, rounded up to the next \$100. Purchaser credit transferred in may be used to meet this requirement. Transferred-in purchaser credit cannot be subsequently be transferred to another sale unless the credit is replaced by cash.

7. **PERFORMANCE BOND.** A performance bond is required. The penal sum of the bond will be 10 percent of the total bid value of the sale, rounded up to the nearest \$100 when the total bid value is \$10,000 or less; and rounded up to the nearest \$1,000 when the total bid value exceeds \$10,000 or \$ 29,000.00 whichever is greater.

8. **SPECIFIED ROADS.** Forest Service has determined that the following National Forest System roads shall be constructed or paid for, in whole or in part, by the timber sale purchaser. Sufficient information to permit a prospective bidder to calculate the likely cost to be incurred for road construction is available at the Forest Supervisor's Office. See the sample contract for verification of specific details and information concerning construction specifications. CONSTRUCTION ESTIMATES AND INFORMATION CONTAINED HEREIN, TOGETHER WITH RELATED SPECIFICATIONS, ARE NOT GUARANTEED. The following roads are those that Forest Service considers necessary to remove the timber from this sale.

Road Number	Road Name	Design Class	Approximate Miles	Estimated Road Construction Cost	Type of Work *
391	State Line	D	0.48	4726.64	R
3461	Brushy Creek	D	3.21	4448.81	R
3471B.1	Slippery Jump	D	0.28	7961.94	C
3471B.2	Slippery Jump	D	0.09	1399.91	R
3472	Mineral Creek	C	1.80	2330.49	R
3472A	Mineral Kelly Spur A	D	0.99	1281.77	R
3472B	Upper Kelly Mining	D	0.55	8095.59	R
3472L	Mineral Spur West Kelly	D	1.77	2291.65	R
3483	Moss Creek	D	3.11	4211.73	R
TOTAL			12.00	36748.53	

* C = Construction R = Reconstruction

9. **ROAD MAINTENANCE.** Purchaser shall perform or pay for road maintenance work, commensurate with purchaser's use, on roads controlled by Forest Service, and used by purchaser in connection with this sale. Road maintenance requirements are based on the predicted haul route. Any change in the purchaser's actual haul route may necessitate a change in the roads to be maintained and/or in the amount of required deposit for road maintenance. Required deposits for road maintenance are listed in Section 4 and in the sample contract. Maintenance specifications are in the sample contract.

10. **INAPPLICABLE STANDARD PROVISIONS.** See the attached sample contract.

11. **SPECIAL PROVISIONS.** See the attached sample contract.

12. **FINANCIAL ASSISTANCE.** The Small Business Administration (SBA) may be able to assist small business concerns in financing construction of specified roads listed in the sample timber sale contract. Such SBA assistance, if available, may be in the form of guaranteed bank loans or direct participation SBA loans. Applicants must meet SBA size and eligibility requirements. APPLICANTS ALSO MUST MEET CREDIT REQUIREMENTS OF SBA AND/OR A LOCAL BANK. APPROVAL OF LOAN ASSISTANCE RESTS WITH SBA AND IS CONTINGENT ON AVAILABILITY OF LOCAL FUNDS OR SBA FUNDS. FAILURE TO BE ELIGIBLE OR TO OBTAIN A LOAN IN NO WAY AFFECTS REQUIREMENTS OF BID FOR ADVERTISED TIMBER SALE OR THE TIMBER SALE CONTRACT. If requested by the purchaser, the timber sale contract can provide repayment of direct SBA loans through the Forest Service as the timber is cut.

13. SET-ASIDE SALES. Not Applicable

14. LOG EXPORT AND SUBSTITUTION RESTRICTIONS.

The contract requires domestic processing of included timber except for species declared to be surplus, and prohibits the use of such included timber in substitution for unprocessed private timber exported. The bidder, by signing the bid for advertised timber, certifies compliance with the applicable prohibitions against export and substitution prescribed in the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 U.S.C. 620, et seq.) with each bid.

15. EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE REVIEW. If the total bid value plus required deposits for this contract exceeds \$10 million, before award, the Forest Service shall request an equal employment opportunity compliance review of the high bidder to determine compliance with the provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967 and Executive Order No. 12086 of October 5, 1978.

16. AWARD. The Contracting Officer is required to make a determination of bidder responsibility as stated in Title 36, Section 223.101, of the Code of Federal Regulations.

To determine a purchaser to be responsible, a Contracting Officer must find that:

- a. The purchaser has adequate financial resources to perform the contract or the ability to obtain them;
- b. The purchaser is able to perform the contract within the contract term taking into consideration all existing contracts and Governmental business commitments;
- c. The purchaser has a satisfactory performance record on timber sale contracts. A prospective purchaser that is or recently has been seriously deficient in contract performance shall be presumed not to be responsible, unless the Contracting Officer determines that the circumstances were beyond the purchaser's control and were not created through improper actions by the purchaser or affiliate, or that the purchaser has taken appropriate corrective action. Past failure to apply sufficient tenacity and perseverance to perform acceptably under a contract is strong evidence that a purchaser is not a responsible contractor. The Contracting Officer shall consider the number of contracts involved and extent of deficiency of each in making this evaluation;
- d. The purchaser has a satisfactory record of integrity and business ethics;
- e. The purchaser has or is able to obtain equipment and supplies suitable for logging the timber and for meeting the resource protection provisions of the contract;
- f. The purchaser is otherwise qualified and eligible to receive an award under applicable laws and regulations.

17. FALSE STATEMENTS ACT. Bidders, by signing the bid form, certify that they are aware that bidder is subject to the penalties prescribed in 18 U.S.C. 1001, Chapter 47, Fraud and False Statements (P.L. 104-45). The Act states “whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both.”

18. DAMAGES. This contract shall be terminated for breach pursuant to paragraph 16, 19, and/or 21 of the bid form and the terms of the sample contract if: 1) bidder fails to execute a timber sale contract, furnish a downpayment, or furnish a satisfactory performance bond within 30 days of the award letter’s date; or 2) bidder is found to have violated the False Statements Act in making any statement or certification on the bid form including not meeting purchaser responsibility requirements, and bidder has made a false statement. The bid guarantee shall be retained, in whole or in part, by the Forest Service to satisfy any damages that may be assessed.

19. SUSPENSION AND DEBARMENT CERTIFICATION. Non-procurement debarments and suspensions are governed by the Government-wide common rules (7 CFR 3017).

These rules require each timber sale purchaser, to submit a certification for itself, its principals, and its affiliates when bidding on sales. The bidder must designate its status regarding debarment, suspension, and other matters as specified on the bid form. The bidder, by signing the bid form, certifies this status. An explanation for not submitting a certification may be submitted. The Contracting Officer will determine whether the explanation provides sufficient reason for permitting participation in the bidding. Also, as a timber sale purchaser enters into transactions with subcontractors, these subcontractors must certify their eligibility. The certification titled “Subcontractor Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion” must be provided to subcontractors, but completed certifications are not required to be submitted with bid forms. Purchaser must keep these subcontractor certification forms on file for review by the Forest Service, if requested.

The certification forms and instructions for subcontractors transactions are provided as an addendum to the bid form.

20. OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) LOGGING REGULATIONS. Conduct of operations on this timber sale is subject to inspection for compliance with the logging operations regulations at 29 CFR 1910.266 by OSHA. This standard is applicable to the entire logging industry wherever logging operations occur. Information is available to assist purchasers to ensure compliance with the logging operations regulations during conduct of this timber sale from the U.S. Department of Labor, Occupational Safety and Health Administration,

21. GENERAL.

- A.** Road Obliteration: At the end of logging operations the Purchaser will be required to obliterate several roads within the sale area. See C5.41# Closure to use by others (2/02) for details.
- B.** Noxious Weeds: All off road logging equipment will be washed and inspected before entering the timber sale area. See C6.351#.
- C.** Limited Operating Period: In all units, for the protection of lynx denning habitat, purchaser will be excluded from operating between April 15 and June 30. In order to protect the Hiawatha Trail the purchaser shall only yard timber between the dates of October 11 and October 31 in unit 17C.
- D.** Temporary Roads: Temporary roads will be constructed to access portions of units 17b, 18a, 18b and 20 to facilitate Yarding operations. The total estimated temporary roads to be constructed is 3600 feet. Temporary roads will be re-contoured, seeded and fertilized upon completion of use.
- E.** Tractor skidding will not be allowed on slopes greater then 35% in units 21 and 22. However, a harvester can be used on slope up to 45% if it is operated on a continuous layer of slash.
- F.** Road 506 (As shown on the Sale Area Map): Tracked and lugged vehicle shall not be allowed on the aggregate portion of the roads surface. This shall be done to protect a special road surface used for the Hiawatha trail. However, a tracked yarder may be transported with a lowboy into the flat area adjacent to but not on the Hiawatha trail surface where yarding can be accomplished. The purchaser will be responsible for cost of surface replacement if the special surface is damaged.
- G.** Fertilizing: In all skyline units, except unit 19, whole trees, including tops and limbs, will be yarded. This is required to reduce fuels on the area without burning. To mitigate soil nutrient concerns, fertilizer will be applied to these units after completion of the harvest activities. Fertilizing will be required on approximately 203 acres. Fertilizer shall be applied at a rate of 341 pounds per acre and will include the following elements, excluding inert materials: 170 lbs of potassium per acre, 3 lbs of boron per acre, and 10 lbs of copper per acre. These requirements are in C6.401.

Since this is a new purchaser requirement that many in this area may not have experience with, we are providing an option to the fertilizing that will accomplish both the slash disposal and nutrient objectives. If the high bidder elects, prior to award, the following changes will be made in the contract that is awarded:

- (1) C6.401 – Fertilizing will be deleted.
- (2) The requirement in the Slash Treatment Plan to whole tree yard with tops and limbs attached will be deleted.
- (3) A requirement will be added to the Slash Treatment Plan that requires limbs and tops to be removed prior to yarding.

- (4) A requirement will be added to the Slash Treatment Plan that requires hand firelines to be constructed around the units.

The required deposits for slash disposal will be increased to cover the cost of underburning the units. The required deposit in A5 will be increased from \$2.05 per ton to \$8.45 per ton. This is based on a cost of \$615 per acre on 203 acres or a total of approximately \$124,845.